



City of Marietta

Meeting Minutes

BOARD OF LIGHTS AND WATER

205 Lawrence Street
Post Office Box 609
Marietta, Georgia 30061

William B. Dunaway, Chairman
James W. King, Vice Chairman
Bruce E. Coyle, Resident Member
Charles L. "Chuck" George, Resident Member
Arthur D. Vaughn, Resident Member
Harlon D. Crimm, Non-Resident Member
Alice Summerour, Non-Resident Member

Monday, June 6, 2005

12:00 PM

BLW Admin.-2nd Floor Board Room

Presiding: William B. Dunaway

Present: Harlon D. Crimm, James W. King, Alice Summerour and Charles L. "Chuck" George

Absent: Arthur D. Vaughn and Bruce E. Coyle

Also Present:

Philip M. Goldstein, Council - Ward 7

William F. Bruton, Jr., City Manager

Robert Lewis, Board Manager

J. Kevin Moore, Board Attorney

Stephanie Guy, Deputy Board Clerk

CALL TO ORDER AND ROLL CALL:

Chairman William B. Dunaway called the meeting to order at 12:03 p.m.

I. MINUTES:

20050679 Regular Meeting - May 9, 2005

Review and approval of the May 9, 2005 regular meeting minutes.

A motion was made by Board member King, seconded by Board member George, that this matter be Approved. The motion carried by the following vote:

Vote: 4 - 0 - 1

Approved

Abstain: 1 - Alice Summerour

II. APPOINTMENTS/PRESENTATIONS:

III. APPEARANCES:

IV. BLW OPERATING DEPARTMENTS:

Customer Care:

Electrical:

Marketing:

Internal Services:

20050644 Annual Subscription for Supplemental Power/ Municipal Electric Authority of Georgia (MEAG)

C/A 3105 Motion to authorize the BLW Board Chairman to execute the recommended Annual Supplemental Power election option for 2,875 kW from the Municipal Electric authority of Georgia (MEAG) as presented.

Herb Edwards, Internal Services Director, briefly explained that annually Marietta is requested by the Municipal Electric Authority of Georgia (MEAG) to elect an option for supplemental power supply for the next summer. For 2006, Marietta has a capacity surplus of 2,875 kW which can be put up for sale as reserve capacity. MEAG's present projection of reserve capacity prices for the summer of 2006 is \$27.52 per kW-year. This would indicate a revenue figure of \$79,120. Staff recommends implementing this course of action by selecting Option (v) on the Authorization Agreement provided by MEAG.

Discussion was held regarding the need for limitations on the amount of excess capacity for reserves. Mr. Edwards mentioned that there was no need to specify limitations, which Marietta has not done in the past.

Motion to select Option (v) on the Authorization Agreement with the Municipal Electric Authority of Georgia (MEAG) to nominate excess capacity for reserves at \$27.52/kW-Year or 2,875 kW.

A motion was made by Board member King, seconded by Board member Summerour, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

20050645 Wholesale Power Sales

Update on status of wholesale power sales proposals to Colquitt and Sylvania.

Herb Edwards presented a power point presentation regarding power sales negotiations to advise the board on the status of possible power sales proposals with Colquitt and Sylvania.

This matter was Reported.

20050654 Adoption of Marietta Board of Lights & Water FY06 Budget

Res 2005- A Resolution adopting the Annual Budget for the fiscal year ending June 30, 2006 for the Marietta Board of Lights & Water enterprise fund.

Internal Services Director Herb Edwards presented the Board of Lights and Water FY2006 Final Budget for review and approval. At the May 2005 board meeting, a draft budget was approved totaling \$121,812,307. The Board's final approval was contingent upon City Council's approval of pending recommended personnel staffing changes, which has since been provided. The approved

changes did not result in any changes to the draft budget presented at the May board meeting.

The budget recommended for FY2006 would balance expected inflows and outflows without resorting to the use of reserve funds. The proposed budget would also eliminate one position through the reorganization of personnel functions.

Motion to adopt the Marietta Board of Lights and Water FY06 Budget as submitted.

A motion was made by Board member King, seconded by Board member George, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

Water & Sewer:

V. CENTRALIZED SUPPORT:

Finance:

20050681 Finance Reports for May 2005

Review of the Finance reports for May 2005.

Finance Director Monte Vavra reported on the financial reports for May 2005. The total charges for services for the month were \$8,420,000, with a year-to-date amount of \$102,354,000. This was an increase of \$4 million over last year's amount of \$97,953,000. The profit and loss statement shows income from operations at \$4,072,5000 primarily due to the year-end settlement from MEAG in the amount of \$3.4 million. Year-to-date income from operations was at \$15.7 million as compared to just under \$11 million one year ago. The cash flow statement shows a net cash inflow of \$2,722,904, with a year-to-date amount of \$6,918,000 as compared to \$3,578,000 one year ago.

This matter was Reported.

20050691 Final Marietta FiberNet Audit

Presentation of final Marietta FiberNet Audit.

Donald McGrath with Moore and Cubbedge presented the special-purpose financial statements for the final Marietta FiberNet audit for the month period ending August 31, 2004. The statements were prepared for the purpose of complying with a purchase agreement between Marietta Board of Lights and Water and American Fiber Systems for the sell of Marietta FiberNet.

Mr. McGrath made reference to the Contingent Liability section on page eight,

which explained a complaint filed against Marietta FiberNet to collect alleged preference payments. The potential liability for Marietta FiberNet could range from \$0 - \$488,633.

This matter was Reported.

Management Information Systems:

VI. COMMITTEE REPORTS:

VII. CHAIRPERSON'S REPORT:

VIII. BOARD ATTORNEY'S REPORT:

IX. BOARD MANAGER'S REPORT:

20050646 Board Strategic Business Plan/ Economic Conditions

Deliverables for Board Strategic Plan 2005 Objective 6B.

Customer Service Director Ron Mull presented a power point presentation regarding economic conditions to effectively compete for electric customers of choice. Mr. Mull pointed out Marietta Board of Lights and Water target markets, product and service offerings, cost structure, strategies and performance.

The goal is to focus on customer satisfaction and one way of doing that is by offering new products and services. For example, customers are now offered same day service for a fee of \$40. Currently there are over 100 customer taking advantage of this offer per month.

This matter was Reported.

20050647 Board Strategic Business Plan/ Employee & Leadership Development

Deliverables for Board Strategic Plan 2005 Objective 3D.

Board Manager Robert Lewis presented a power point presentation showing how the Board of Lights and Water would improve its ability to select, develop and retain employees. Plans would be implemented to incorporate such elements as new employee orientation, leadership preparation, and cross training of employees.

Board member King expressed appreciation to staff for their work regarding the Strategic Plan updates and execution.

This matter was Reported.

20050692 Municipal Electric Authority of Georgia (MEAG) Telecom Committee

Nominee for the Municipal Electric Authority of Georgia (MEAG) Telecom Committee.

Board Manager Robert Lewis recommended Senior Utility Analyst John Kane for the MEAG Telecom Committee since he already serves on the board of Georgia Public Web (GPW).

Motion to nominate John Kane for the Municipal Electric Authority of Georgia (MEAG) Telecom Committee.

The motion was made by Board member King, seconded by Board member Summerour, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

A motion was made by Board member Crimm, seconded by Board member Summerour, to suspend the rules of order to add a motion to the agenda to nominate Robert Lewis to the Municipal Electric Authority of Georgia (MEAG) Board. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

20050698 Municipal Electric Authority of Georgia (MEAG) Board

Nominee for the Municipal Electric Authority of Georgia (MEAG) Board.

Motion to nominate Robert Lewis as a member of the Municipal Electric Authority of Georgia (MEAG) Board.

The motion was made by Board member King, seconded by Board member Crimm, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

20050699 Recognition of former mayor Ansley Meaders

Consideration of a Resolution honoring the service of former mayor Ansley Meaders as the Board of Lights and Water Chairperson.

Board member Crimm requested consideration of a resolution honoring former mayor Ansley Meaders for her service as chairman for the Board of Lights and Water.

Discussion was held and staff was directed to draft a resolution honoring former mayor Ansley Meaders.

Motion to approve.

The motion was made by Board member Crimm, seconded by Board member Summerour, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

20050693 American Fiber Systems (AFS) Lease Agreement

Discussion regarding the American Fiber Systems (AFS) Lease Agreement.

Discussion was held regarding the lease agreement with American Fiber Systems (AFS) and how to satisfy the need for additional office space for both the Board of Lights and Water (BLW) and AFS.

Two options were presented that would accommodate both entities. The first option suggests moving the meters and services division and the marketing department to the first floor and maintaining the current engineering space. This option would cost \$200,000 and not allow for storage space or room to grow.

The second option suggests the BLW staff occupy the AFS space on the second floor, modifying the space to accommodate various departments, and relocating the training room to the first floor. This option would cost \$54,000 plus an additional two-year option to AFS on the first floor.

Discussion was held regarding option two, which was recommended by staff. It was the opinion of the board that further negotiation with AFS was needed to craft a more favorable solution.

This matter was Discussed.

X. OTHER BUSINESS:**XI. EXECUTIVE SESSION (at the Board's discretion):****20050680 Executive Session**

Motion to enter an Executive Session to discuss legal, real estate and/or personnel matters.

A motion was made in open session by Board member King, seconded by Board member George, to enter Executive Session to discuss personnel matters. The motion carried by the following vote:

Vote: 4- 0 - 0

Approved

For: William B. Dunaway, James W. King, Charles L "Chuck" George

Absent: Alice Summerour

The Executive Session was held (the Chairman's affidavit is attached hereto as Attachment A).

A motion was made by Board member Crimm, seconded by Board member King, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

For: William B. Dunaway, James W. King, Charles L "Chuck" George, and Alice Summerour

20050700 Exodus Communications Settlement Agreement

Res 2005-284 Motion to approve a settlement in the matter regarding Exodus Communications (also known as Exds Communications), with the settlement being paid from the BLW General Fund as a budget amendment accordingly. Further, the amount of the settlement shall not exceed \$170,000.

A motion was made by Board member King, seconded by Board member George, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

20050701 Municipal Electric Authority of Georgia (MEAG) Settlement Agreement

C/A 3106 Motion to approve recommendation to the mayor and council to enter into the settlement agreement with the Municipal Electric Authority of Georgia (MEAG) regarding MEAG Telecom, with the fifth whereas paragraph on page one amended to read, "original commitment to the building of the project except for \$34,486 and that any additional payment..."

A motion was made by Board member King, seconded by Board member George, that this matter be Approved. The motion carried by the following vote:

Vote: 5 - 0 - 0

Approved

ADJOURNMENT:

The meeting was adjourned at 2:15 p.m.

Approved by City Council:

Date: June 8, 2005

William B. Dunaway, Mayor

Attest: _____
Shelia R. Hill, City Clerk

Approved by Board of Lights and Water:

Date: _____

William B. Dunaway, Chairman

Attest: _____
Shelia R. Hill, Board Clerk